

Economic Development Proviso Launch Meeting
Regulatory Reforms Workgroup
 August 27, 2013

Regulatory & Reforms – Discussion Summary

Top-down accountability for time and predictability
“Culture Change”

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| 1) Process predictable and efficient
– Benchmarking
– Measure timelines
– Incentivize “yes” | Nick Demerice
Randy Gardiner |
| 2) One Stop or Ombudsman Portal for Regulations
– “concierge” portal
– Funding | Christina Lomasney |
| 3) Federal/State/Local Streamlining
– Share local best practices
– Business license service for all regulations
– Communication across agencies
– Master process maps | Lisa Parks |
| 4) Agency Process Reform
– Dept of Ecology
– Labor and Industries
– Revisit incentives | Connie Bacon

} Formal rule review |

Regulatory & Reforms – Idea Cards

- Privatize UI
- Tax Increment Financing
- Strengthen the economic development environment is to change Dept. of Ecology from the “bully in the room to a partner”
- Streamlined permitting
Overhaul Department of Ecology
- Dept. of Ecology!!
- One stop permitting – city county, state
- Create means for addressing visibility across regulations, including tools (online) that reduce data redundancy and centralize regulatory communications.
- Become the most advanced state in terms of online and integrated (Fed, State, Local) regulatory agency and private sector communication (Can also extend to tax)
- How can Department of Ecology efficiently help businesses: Start/move to/expand in the state. Needs to be: Fast, Efficient, Communicative
- Regulatory application “assistance” to eliminate processing waste

<ul style="list-style-type: none"> • Regulatory coordination – convene a business advisory group to examine regulations • Setup a “navigator” program to help citizens • Make the holes in “one stop” work • “Nothing About Us Without Us” • Put infrastructure at the top of the list!
<ul style="list-style-type: none"> • State regulatory ombudsman with power.
<ul style="list-style-type: none"> • Single point of coordination for businesses across multiple government levels and other regulatory authorities.
<ul style="list-style-type: none"> • Create <u>Navigator Service</u> that helps businesses resolve regulatory issues. • Use resulting data to identify systemic issues and fix them.
<ul style="list-style-type: none"> • How do we eliminate the conflicting expectations between state and local regulations?
<ul style="list-style-type: none"> • Review regulatory practices that streamline the process for local governments (Cities, Counties, Ports) to decrease permitting time process and cut unfunded mandates on such jurisdictions that increase costs.
<ul style="list-style-type: none"> • Stop duplication and conflicting requirements at local/state/federal levels.
<ul style="list-style-type: none"> • Alignment & efficiencies among state, local, regional, federal (when possible) regulatory bodies. Pick one project to start...but start somewhere.
<ul style="list-style-type: none"> • Reduce duplicative processes as businesses comply with state regulations. • Alignment and coordination between state regulatory entities.
<ul style="list-style-type: none"> • How do we coordinate state regulations with federal, county, and city regulations? • Can we create a “one stop” process? • How do we expedite processes?
<ul style="list-style-type: none"> • Regulatory language and process should have a clear connection to public interest.
<ul style="list-style-type: none"> • Find common ground for stakeholders <ul style="list-style-type: none"> – Urban – Rural – Business-Labor – Democrats-Republicans so the group can get behind the recommendations.
<ul style="list-style-type: none"> • Include more minorities in the economic development conversation. How can you expect to increase exports if you don’t know anything about the culture of the country you want to buy our goods?
<ul style="list-style-type: none"> • Get a high level of involvement and buy –off by private sector.
<ul style="list-style-type: none"> • Create a process to review all regulations on a regular basis. • Create a threshold licensing process similar to Oregon’s.
<ul style="list-style-type: none"> • No economic development money distributed without tracking jobs created. • Private investment leveraged. • Project part of comprehensive development plan.
<ul style="list-style-type: none"> • Trust agencies & communities once broad outlines / outcomes are set legislatively.
<ul style="list-style-type: none"> • The effect of border states on the border regions of Washington. What changes need to happen to compete with other state and reduce leakage?
<ul style="list-style-type: none"> • Do not tax new capital investments in rural Washington. No sales tax on equipment, machinery and buildings.
<ul style="list-style-type: none"> • Incentive to allow mid/small companies to employ student interns – do their own workforce development.
<ul style="list-style-type: none"> • A cross-functional multi-state-agency economic team, reporting to OFM, should be established. This team will: <ul style="list-style-type: none"> – Develop and implement strategies to grow regional and the state economy.
<ul style="list-style-type: none"> • Engage the business community to partner with government to aggregate buying power necessary to bring health providers and insurers to the table to deliver better care more cost-effectively – Thereby lowering a fixed cost of doing business in Washington.
<ul style="list-style-type: none"> • Lean process improvements/efficiency of universities/colleges. • Streamline reporting requirements.
<ul style="list-style-type: none"> • Eliminate regulations that cost business money / time that have limited reasonableness. • Create regulatory culture to “getting to yes.”
<ul style="list-style-type: none"> • State should ensure that <u>all</u> its regulatory agencies are predictable in terms of process and timelines.
<ul style="list-style-type: none"> • Policy like UK’s policy for ministry / agencies of “for every new rule – two rules must be eliminated.”

<ul style="list-style-type: none"> • Less rule-making. Agencies do not care about moratoriums or requests to limit rules when possible. There needs to be a cap or cost to the agency.
<ul style="list-style-type: none"> • Separate process from standards. • Reasonable, predictable, efficient. • Must be willing to take on hard topics such as Industrial Insurance in meaningful and thoughtful manner.
<ul style="list-style-type: none"> • Consistent process applied. Regulatory code should not be subject to interpretation or personal opinion (front-line problem). Proper training in code enforcement and customer service must be delivered statewide.
<ul style="list-style-type: none"> • Collect data to track and solve actual pain points in the current processes. • Respect the intent of environmental and labor regulations.
<ul style="list-style-type: none"> • Recommendations that will create certainty and reign in cost of compliance. <ul style="list-style-type: none"> – Timelines for permitting that are reasonable and cost effective – Single agency leads to reduce overlapping and duplicative decision making and inaction – British idea – One in: Two out. Formal systems to streamline that work – Basic thresholds for business infrastructure
<ul style="list-style-type: none"> • Establish a benchmark and hold people accountable to improve the time, cost and frustration around compliance.
<ul style="list-style-type: none"> • Develop regulation processes that are reasonable & understandable and can be achieved in a timely manner.
<ul style="list-style-type: none"> • To the maximum extent possible, ask whether the reforms enable business, not constrain business.
<ul style="list-style-type: none"> • Take the ambiguity out of what needs to be reformed, in priority order, by developing a performance metric that drives measurable improvement recognized by business.
<ul style="list-style-type: none"> • Identify baseline and measure progress. • Compare regulatory burden to benchmarks in other states.
<ul style="list-style-type: none"> • <u>Streamline & Incentivize.</u> • Find a way to streamline regulations & permitting (editorial comment: Local governments <u>can</u> handle permitting if they have support and resources from the state). • Also look at ways to create incentives (not just barriers) for businesses to locate.
<ul style="list-style-type: none"> • Environmental approval reform is the main problem in the state. Comp. plan updates and enviro controls are way too slow.